

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I also have no speakers, but I wanted to express my thanks to the gentleman from Michigan for his generous comments, and at the risk of sounding immodest, I agree. I think our subcommittee has accomplished a lot of good this year with the help of both sides of the aisle, including my friend from Michigan, and I thank him for his comments. And I would be remiss if I did not also mention Senator PATRICK LEAHY who has already been mentioned and the gentleman from Oregon (Mr. SMITH) who chairs the House Agriculture Committee and has been very actively involved in this process as well.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. COBLE) that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 1197.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. FATTAH. Mr. Speaker, I seek to correct the RECORD. On Rollcall Vote 428, which was on House Concurrent Resolution 254, I was recorded being in favor of the measure, and I would like the RECORD to reflect that I should have been recorded as being opposed to the measure.

MONEY LAUNDERING AND FINANCIAL CRIMES STRATEGY ACT OF 1998

Mr. BACHUS. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 1756) to amend chapter 53 of title 31, United States Code, to require the development and implementation by the Secretary of the Treasury of a national money laundering and related financial crime strategy to combat money laundering and related financial crimes, and for other purposes.

The Clerk read as follows:

Senate amendment:

Page 2, strike out all after line 20, over to and including line 3 on age 3 and insert:

"(2) MONEY LAUNDERING AND RELATED FINANCIAL CRIME.—The term 'money laundering and related financial crime'—

"(A) means the movement of illicit cash or cash equivalent proceeds into, out of, or through the United States, or into, out of, or through United States financial institutions, as defined in section 5312 of title 31, United States Code; or

"(B) has the meaning given that term (or the term used for an equivalent offense) under State and local criminal statutes pertaining to the movement of illicit cash or cash equivalent proceeds.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from

Alabama (Mr. BACHUS) and the gentleman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Alabama (Mr. BACHUS).

GENERAL LEAVE

Mr. BACHUS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1756.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

□ 1330

Mr. BACHUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1756 is the Money Laundering and Financial Crimes Strategy Act of 1998. It was introduced by the gentlewoman from New York (Ms. VELÁZQUEZ), the gentleman from Iowa (Mr. LEACH) and myself, and it directs the Secretary of the Treasury to create a national strategy for combating money laundering and other financial crimes by coordinating money laundering and other financial crimes. It also supplies resources to Federal, state and local agencies in the coordination of their efforts.

I would explain to Members what is so important about money laundering. Money laundering is the flip side of narcotics trafficking. When we talk about the war on drugs, when we talk about our efforts against drugs, some people do not realize that it is a two-way street. On the TV we observe pictures of large amounts of drugs being seized, of drugs being destroyed, of them being intercepted, and, in fact, we have been very successful in seizing a great percentage of the drugs coming into this Nation.

Where we have failed, where we have not addressed the problem that needs to be addressed, is in money laundering. When drugs are sold, for them to be profitable to the money launderers and the drug cartels overseas, they not only have to sell their product, they have to reap their profit. That means that the money must flow back out of the country. They must get the money back out.

In fact, law enforcement agencies and policy makers tell us that if you want to hit the drug cartels where it hurts the worst, you do not seize the drugs, because there is an endless supply of that; you seize the money. And that is what this new strategy is about. Unfortunately, we estimate we are seizing less than 1 percent of drug proceeds money, and, therefore, this legislation I think is going to be a hallmark and really a nail in hopefully the coffin of drug cartels overseas which are preying on our young men and women on the streets of America.

The legislation provides for the designation of high risk money laundering areas for the purpose of providing those localities with increased Federal atten-

tion and funding for state and local law enforcement efforts.

We had a pilot project in New York City in the district of the gentlewoman from New York (Ms. VELÁZQUEZ), who, I am sure, will cover this in more detail. But to tell you about the gravity of this situation, this effort was headed up by the New York police, the city police, New York State police, Customs. In a short period of time, over \$1 billion of money transfers to Colombia were intercepted during this effort. I am not talking about \$1 million, I am not talking about tens of millions of dollars. Over \$1 billion in transfers were intercepted. So that gives you some idea about the magnitude of this problem.

Now, the House passed this measure earlier this month by voice vote. On Wednesday, the Senate passed it with an amendment, again by unanimous consent. The Senate amendment is relatively modest in scope. I think it improves the bill, and I have been asked by Members of the Committee on the Judiciary and the Committee on Commerce to explain that amendment for the record.

As passed by the House, this act provided that the Secretary of the Treasury's authority to develop a national strategy for combating money laundering and related crimes extended to all potential violations of title 18, sections 1956 and 1957. Those sections are the basic criminal money laundering provisions of our Federal law, and they contain more than 100 predicate offenses involving crimes as varied or desperate as obscenity and arms control export violations.

The Federal Bureau of Investigation raised concerns that the sheer breadth of the criminal conduct covered by these two sections, 1956 and 1957, might complicate the Treasury Department's ability to develop a coherent national strategy for combating money laundering and in allocating scarce law enforcement resources to initiatives undertaken at the state and local level.

In response to that, we in the House, the gentlewoman from New York (Ms. VELÁZQUEZ), requested and the Senate conceded and actually offered an amendment, and also the Senate was very supportive of this amendment and amended the bill to provide that the national strategy should be directed at the movement of illicit cash or cash equivalent proceeds into, out of and through the United States, or into, out of and through United States financial institutions, because many of these are electronic transfers, rather than directing the scope to the more broad offenses delineated in title 18 and other portions of the U.S. Code. We all agree this is a good amendment that strengthens the bill.

I also want to, at the request of the Committee on Commerce, take this opportunity to clarify the legislative intent behind another provision of H.R. 1756, and that is section 2.